



WHITE PAPER

The Tidal Wave of a New Generation
at Work—Millennials are Shifting
the Retail Workplace

Dennis Devlin, CEO, Consumer Clarity, and
Amanda Costanzi, CMO, TEMPOE

“I joined the company because I believe in my manager’s vision, I wanted the autonomy to run my own projects and I know they will support my career growth.”

-Jenna Missaggia

Retail Employers Can Win with Millennials

How is success defined for retail employers when it comes to winning with Generation Y, aka millennials, in the workplace? Overall, company leadership that understands how to -

- A. Bypass generational differences, and
- B. Create a shared culture that crosses boundaries will rule in the new world order of work. Millennial employees are driving impactful changes in the workplace, and retailers must respond effectively to compete for the best talent. Defining what is effective with these workers can only be done by understanding this generation, who they are and what motivates them.

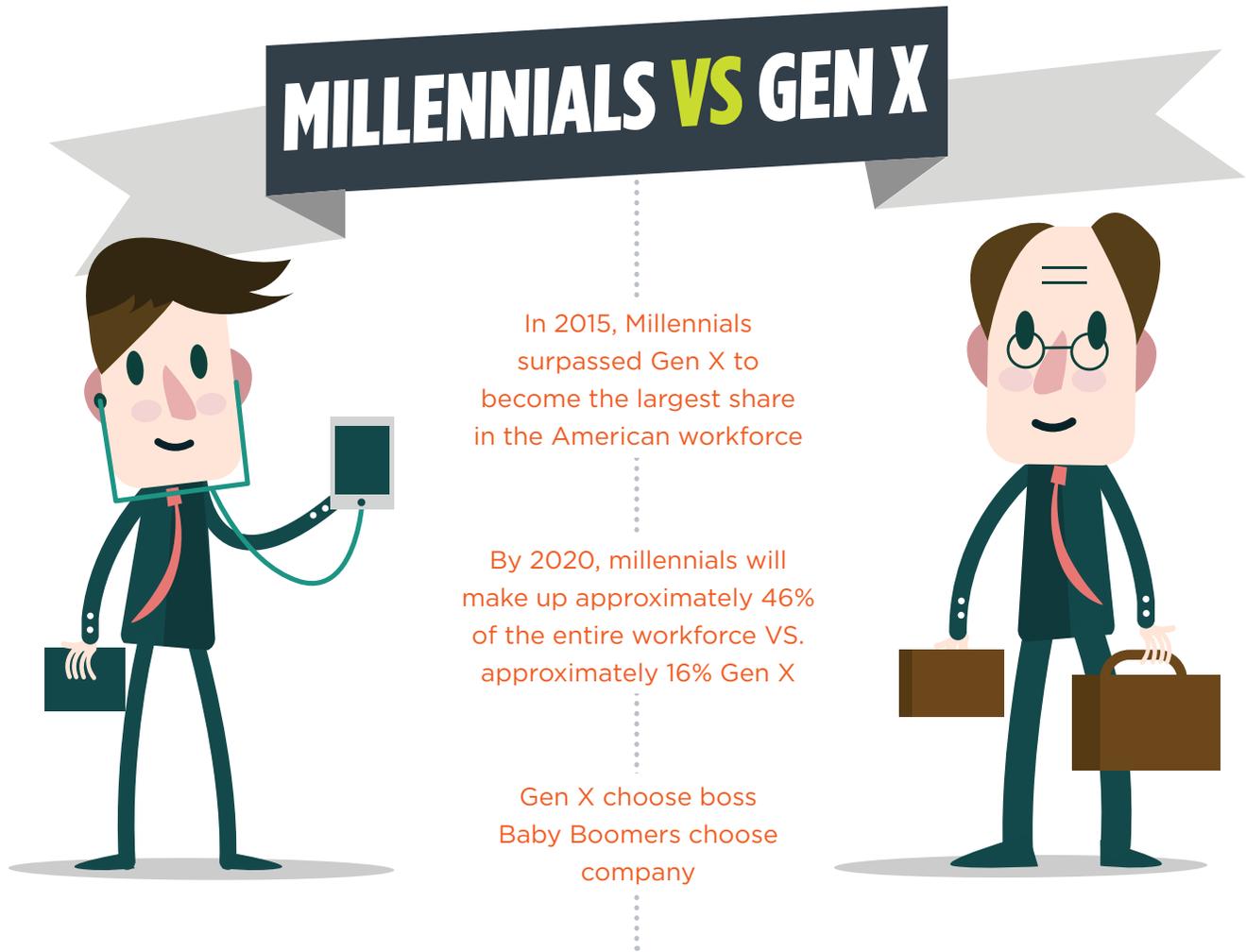
“I joined the company because I believe in my manager’s vision, I wanted the autonomy to run my own projects and I know they will support my career growth.”

-Jenna Missaggia

millennial employees

- Born between 1980-2000, 80MM millennials today (3MM more than the Baby Boomers)
- 25% of the population are millennials
- Average TEMPOE employee age is 32. Our millennial culture is one to learn from!





The Largest Generation

Millennials have become a powerful force in many respects, and they are influencing more than just retail trends. According to Pew Research, millennials surpassed Gen X in 2015 to become the largest share in the American workforce. By 2020, millennials will make up approximately 46% of the entire workforce, and is projected to represent approximately 45% of all retail employees. And with that comes a major shift in the way businesses are approaching employer-employee relationships and the value of office culture. This paper addresses how retailers should address some of these shifts.

Millennials choose where they want to work as much as their workplace chooses them. Top two things millennials seek in a company.

1. A trustworthy company
2. A high-quality work experience

Millennials want to work for companies they **trust**

They view work as a collection of experiences in their lives.

The Choice to Work for Brands they Trust

It's no surprise that millennials want to work for companies whose brands they love as consumers. Companies like Best Buy, Target, Google, YouTube, and Amazon realize that highly satisfied employees are more efficient, driven and more committed to not just their companies, but also to their respective teams. So, retailers must change to surf the wave of success with millennial associates, or be left to drown by the tidal wave of a new generation of employees.

Adopting a Millennial Mentality

Now is the time for retailers to adopt a "millennial mentality" and millennial language in the workplace. What does that mean? Their expectations from their employer and work environment are different than previous generations. And, they view work as a collection of experiences in their lives, so they focus on striving to make those work experiences the very best ones they can be as they cumulate learnings. For example, they expect to be promoted in two to three years. Further, they don't want to wait to make a difference at work or in the community. This is why creating the right culture for your employees is not just "fluff". If you want to reduce turnover, increase loyalty, and keep them

motivated - you must give them a continuum of experiences.

Recruiting - Demonstrated Transparency and Focus on Culture

When recruiting millennials, it is highly recommended to only make promises which your store(s) can clearly and consistently keep because millennials will bolt for another company if a new employer is not authentic and fully transparent.

It is critical to recognize that for millennials work environment and culture matter. For example, we are now seeing employers host "Bring your Parent to Work Day" to appeal to millennials. They are eager to share the ways that they are impacting their workplace and growing their skills. Environmentally, newly designed office spaces now include standing desks and more open spaces with fewer private offices. Friendly collaboration appeals to millennials, so the environment must be more focused on team than hierarchy. This is a plus for retail stores since associates are not expected to be glued to a desk for the entire shift.

According to Pew Research Center, 66 percent of millennials would like to shift their work hours. Retail stores should capitalize on this trend.

“66% of millennials would like to shift their work hours. Retail stores should capitalize on this trend.”

- PEW Research Center

Eight Helpful Hints

Research conducted with the employers that millennials love (those that have been most successful at recruiting millennials) highlight some habits for retailers to emulate and follow.

1. **Facilitate Socialization** - establish a collaborative work environment.
2. **Support Community** - create a brand purpose to help align the work with making the world a better place.
3. **Encourage Disruptive Innovation** - embrace “intra-preneurial drive” by allowing employees’ creative thinking and autonomy to run projects.
4. **Practice Incremental Rewards** - don’t wait to acknowledge accomplishments. To millennials, performance is measured by output.
5. **Foster Culture** - support mentorships and develop cross functional relationships to satisfy their craving for coaching and advice.
6. **Inspire Continuous Learning** - emphasize the development of future leaders among the millennial workforce. Emphasize soft skills, in particular.
7. **Use Fresh Technology** - modernize work styles with the latest and greatest to best connect with millennials at work and outside work.
8. **They’d like to see you give back** - millennials appreciate companies with a philanthropic focus and are proud to work for companies which support their communities.

Following these “best practices” can improve a retailer’s chances of recruiting millennials to the company.

socialization
foster culture
rewarding
innovate

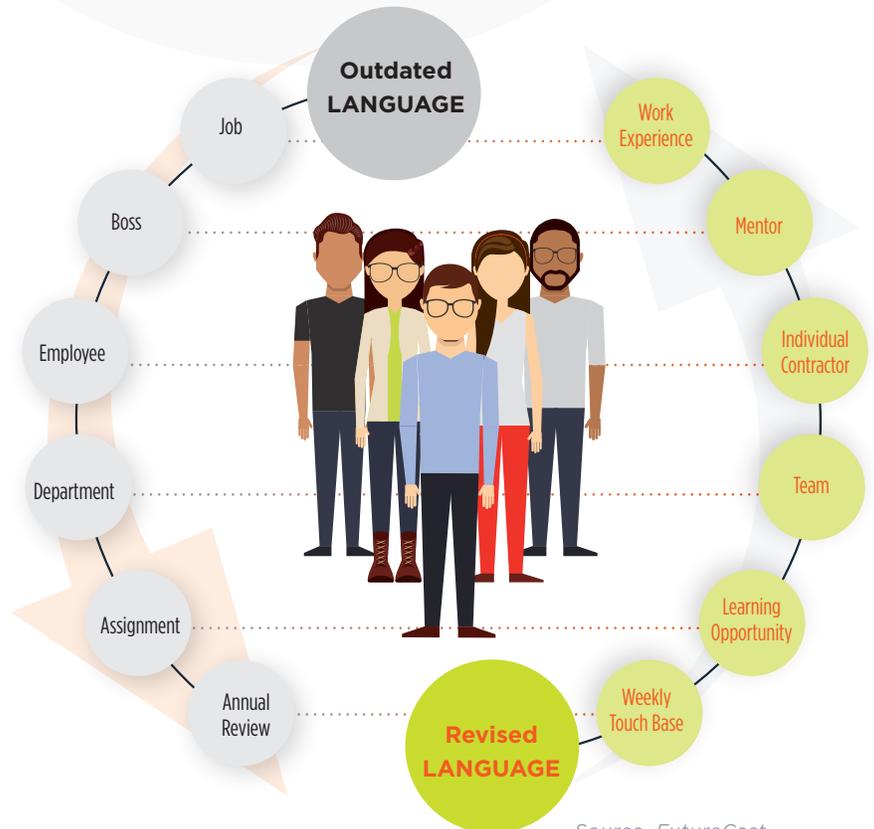
“to better relate to millennial associates in the workplace, there is a need to use language that resonates with them.”

Managing - Give Them a Reason to Believe

Millennial consumers came of age at a time when the Internet and social media made it possible to truly partner with their favorite brands and now they are expecting that same partnership in the workplace. Unlike previous generations, however, millennials are not willing to get a job simply for the reason of having a job - they seek more meaning. As a highly aspirational generation, millennials feel very strongly about the places they work. They seek work environments that align with their collaborative nature and propensity to voice their opinions. Most millennials prefer a collaborative work-culture rather than a competitive one. From their perspective, millennials work with you, not for you.

The Impact of Millennial Language

In order to better relate to millennial associates in the workplace, there is a need to use language that resonates with them. Some examples are included in the table below.



Source. FutureCast

how to engage with a millennial

“Hi Susan. As your mentor, I wanted to take the opportunity to talk about this work experience and how you can collaborate with the team.”

It may feel like mere semantics, but there is truth that perception is reality. If the person with whom you are communicating perceives you to be old-school, out of touch, dictatorial or inflexible, they are not likely to absorb any valuable information you are trying to share. Conversely, if a millennial recipient hears you are a modern leader, new age thinker and able to see each new endeavor as a way to grow, they are more likely to stay engaged.

For example, instead of saying,

“Susan, because I am your boss, I need to explain how your assignment will better the department.”

You could try,

“Hi Susan. As your mentor, I wanted to take the opportunity to talk about this work experience and how you can collaborate with the team.”

Making a Difference Really Matters

Beyond embracing the language of millennials in the workplace, retailers need to connect the workplace experience of millennials with their values. For millennials, it is important to make work matter to them in the sense that they can feel like they are making a difference in the world - a positive societal impact. One way to accomplish

this objective is to provide and support volunteer opportunities for the associates.

Learn from the Best

No doubt, embracing every day habits of the highly effective millennial employers described earlier would serve retailers well when it comes to managing millennial associates. Additionally, the physical environment at work also needs to align with individual work preferences so it is in keeping with the underlying desire for a workplace that is conducive to collaboration. Consider borrowing from the millennial love of collaboration and mentorship to ensure that your leadership is on par with modern standards - find a great company role model to mirror best practices and begin executing. These principles are applicable in stores as well as in the corporate retail offices.

“...retailers are currently under-delivering when it comes to the demands of millennials.”

-Accenture High Performance

Retaining - Redefine Short and Long Tenure

First and foremost, all employers must realize that millennial employees will likely not remain at the same company for very “long.” The average tenure is currently about two years, what we would previously defined as a very “short” time. Very few employers can provide all of what millennials want and expect from an employer. Because millennials are willing to move around to find what they want, retailers must change their expectations of what “long” and “short” mean to the employee, and thereby to them. What a retailer can hope for today is to get them to stay for maybe three or four years instead. Millennials view their role in the workplace as if they are a “free agent,” able to deftly move from employer to employer and job to job in order to fulfill their desired collection

of work experiences. They seek freedom to choose what work looks like for them, and there is no more evidence of this than in the flexibility they pursue in their professional careers.

Smart partnerships matter to associates as much as they do to customers. Be sure to solidify offerings that your associates can stand behind. They want to deliver your customers truthful recommendations about credible programs.

Accenture’s research taught us that retailers are currently under-delivering when it comes to the demands of Millennials.





Seven Ways to Help Retain Millennials Longer.

1. **Competitive Compensation** - it does matter to millennials and needs to remain competitive to keep the best talent.
2. **Ongoing Feedback** - be regular and consistent. Don't wait for six months or longer to provide feedback when they could benefit from it today.
3. **Nurture Culture** - keep it millennial-friendly, both in the physical space and in the communication style.
4. **Foster Learning** - create and support opportunities for growth. Education needs to be available to progress in their careers.
5. **Performance Metrics** - measure them as contributors. Don't fall into the old-school ways of measuring financials only and do help them measure how well they are performing on their own.
6. **Gamification Motivators** - create a tech-smart workplace. Use gamification of educational and inspirational opportunities to motivate millennials.

7. **Mobile Acceptance** - capitalize on the most frequently used communication tactics for millennials. Embrace mobile as a business tool.

When retailers focus in these areas it improves the chances that millennial associates will remain with the company a bit longer than average. But, again, the retailer's expectations for how long they will stick around need to be realistic.





Organizational Shifts Start with Understanding People— Millennials Are Not All the Same

Even with the research shown here, other articles you may read and the gross generalizations of this generation, it is important to realize that this group of workers are not a “one size fits all” generation. Part of what bonds them together is that they appreciate individualism while embracing team collaboration. That means that your job as a retail employer may be even more challenging because you probably can’t recruit, manage, or retain these folks with an out-of-the-box, systematic approach. You may have to get to know each of your millennial applicants and

employees a little more personally than before. For a deeper dive on how the different types of millennials are segmented, check out our “See Also” section on page 12 at the end of this paper.



Leaders Can be Coached Too

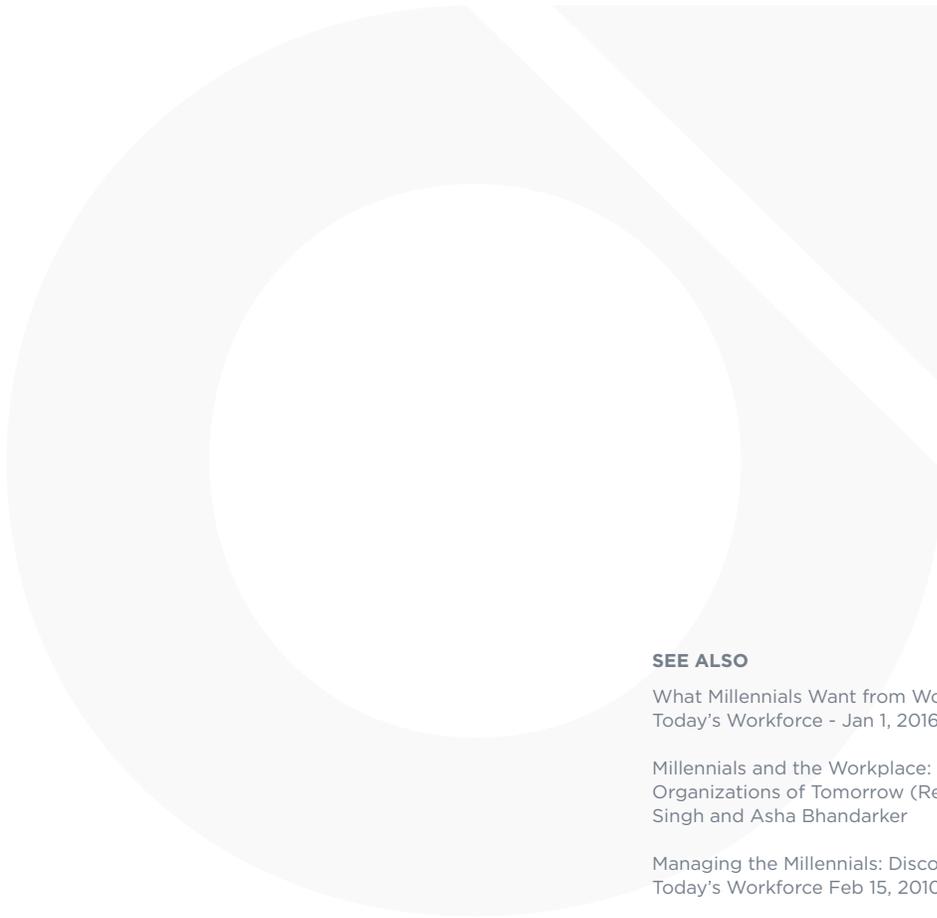
Ask your leadership these critical questions about your organization and how the millennials fit in your retail organization:

- Are we embracing millennial-friendly ideologies in our current work environment? Do we have a transparent organization?
- Have we established a workplace culture appealing to millennials?
- How do we inspire employees, especially millennials, to make a difference?
- What are our engagement and support strategies to attract and retain millennial employees?

The extent of how a retailer is able to authentically respond positively to these questions will be the barometer to how effective it will be at winning with millennials in the workplace.

Respond Now to Keep Winning

The influx of millennials has brought a new world order to the workplace. As is the case with all industries, retailers need to recognize these workplace changes and respond now in order to be effective in recruiting, managing, and retaining millennial associates. We work in an increasingly competitive workplace as retailers battle for the best talent.



SEE ALSO

What Millennials Want from Work: How to Maximize Engagement in Today's Workforce - Jan 1, 2016 by Jennifer J. Deal and Alec Levenson

Millennials and the Workplace: Challenges for Architecting the Organizations of Tomorrow (Response Books) Jun 13, 2012 by Pritam Singh and Asha Bhandarker

Managing the Millennials: Discover the Core Competencies for Managing Today's Workforce Feb 15, 2010 by Chip Espinoza and Mick Ukleja

REFERENCED SOURCES

<http://www.upworthy.com/by-the-year-2020-almost-half-of-the-workforce-will-be-made-up-of-these-people-5>

<http://www.kenan-flagler.unc.edu/executive-development/custom-programs/-/media/DF1C11C056874DDA8097271A1ED48662.ashx>

http://www.bls.gov/cps/industry_age.htm

<http://www.businessinsider.com/top-50-millennial-brands-2015-5>

<https://nrf.com/news/retails-got-what-millennials-want-career-they-just-dont-know-it-yet>

<http://www.lifehack.org/articles/work/8-reasons-millennials-seem-lazy-work.html>

<http://www.oracle.com/us/industries/consumer/interbrand-cg-retail-cx-wp-2400662.pdf>

<http://www.retaildoc.com/blog/millennial-generation-employees-5-reasons-why-they-quit-and-tips-to-avoid-it>

<https://www.accenture.com/us-en/insight-outlook-who-are-millennial-shoppers-what-do-they-really-want-retail.aspx>

<http://www.oracle.com/us/industries/consumer/interbrand-cg-retail-cx-wp-2400662.pdf>

Millennial Rules by T. Scott Gross



Brought to you by:

TEMPOE™



Consumer Clarity
Millennial Marketing

Clear Insights. Clear Strategy. Clear Results.